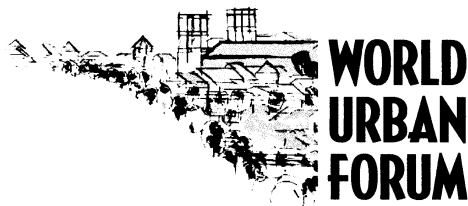




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CITIES WITHOUT SLUMS

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INTRODUCTION

“Poverty amid plenty is the world’s greatest challenge”.¹

1. Nowhere is this statement more true than in the cities and towns of developing countries. Sprawling slums and informal settlements are increasingly becoming the physical expression of a global trend: the urbanization of poverty.

Urbanization, population growth and an increasing shelter deficit

2. At the start of the third millennium, 47 per cent of the world’s population lived in urban areas. Within the next two decades, this figure is expected to increase to 56 per cent. Even more challenging is the fact that 98 per cent of the projected global population growth during the next two decades will occur in developing countries. The vast bulk of this increase (86 per cent) will occur in urban areas. Of the total world’s urban population increase 94 per cent will occur in developing countries.²

3. This population increase implies that about 39,000 new dwelling units will be required each and every day in developing countries during the next two decades – to cater for population growth alone.³ An increasing percentage of urban dwellers are earning their livelihood from the informal sector. One of the results of these trends has been a rapid growth of slums and informal settlements, where more than half of the population in many cities and towns of developing countries are currently living and working.

4. It is against this backdrop that the leaders of the world recently set themselves a new goal. Heads of State and Government resolved “By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers as proposed in the ‘Cities Without Slums’ initiative.”⁴

What are slums?

5. The term slum is used in this document and in the above-mentioned development goal in a general context, to describe a wide range of low-income settlements and/or poor human living conditions. These inadequate housing conditions exemplify the variety of manifestations of poverty as defined in the Programme of Action adopted at the World Summit for Social Development.⁵

6. The term slum includes the traditional meaning, that is, housing areas that were once respectable or even desirable, but which have since deteriorated, as the original dwellers have moved to new and better areas of cities. The condition of the old houses has then declined, and the units have been progressively subdivided and rented out to lower-income groups. A typical example is the inner-city slums of many historical towns and cities in both the industrial and the developing countries.

1. *World Development Report*, 2000/2001, Foreword by the President of the World Bank.

2. “World Population Prospects: The 1999 Revision”. United Nations, New York.

3. Based on average household size of 4.4. (See UNCHS (Habitat), *Global Report on Human Settlements*, 2001).

4. United Nations Millennium Declaration, para. 19. See General Assembly resolution 55/2.

5. *Report of the World Summit for Social Development, Copenhagen, 6-12 March 1995* (United Nations publication, Sales No. E.96.IV.8), chap. I, resolution 1, annex II.

7. The term slum has, however, come to include also the vast informal settlements that are quickly becoming the most visual expression of urban poverty. The quality of dwellings in such settlements varies from the simplest shack to permanent structures, while access to water, electricity, sanitation and other basic services and infrastructure tends to be limited. Such settlements are referred to by a wide range of names and include a variety of tenurial arrangements.

8. In an effort to contribute to the realization of the Millennium Declaration goal referred to above, the United Nations Human Settlements Programme (UN-HABITAT) promotes a comprehensive approach to improving the conditions of people living and working in slums. The strategy addresses security of tenure and access to affordable shelter and services, as well as incomes and economic livelihoods. UN-HABITAT has identified four indicators against which progress can be measured. These are:

- (a) Security of tenure;
- (b) Structural quality/durability of dwellings;
- (c) Access to safe water;
- (d) Access to sanitation facilities.

Why do slums continue to exist?

9. The main arguments for the clearance of slums have been linked to their potential as breeding grounds of political dissent, disease, crime and prostitution. Many slum removal initiatives have in fact had the removal of a perceived eyesore as their primary objective. Unfortunately for such initiatives (but not surprisingly), poor people tend to remain poor even when their houses have been demolished.

10. The simple explanation for the existence of slums outlined above, for example the inability of formal shelter delivery systems to cope with demand, is just one part of the explanation. Firstly, the explanation has to be elaborated upon to explain why slums are where they are. The simplest answer relates to the economic logic of land and housing markets.⁶ The introduction of enabling shelter strategies in most countries during the last two decades has implied a change from policies of intervention to policies of liberalization. Consequently, land and housing markets have been increasingly commercialized. In any commercial market, choice is a positive function of income. The consequence is that the very poor often have no choice in housing at all, and have to live where no one else chooses to live. Secondly, an even more basic issue relates to the logic of general economic development. Many observers have highlighted the role that slums play in providing labour for the formal sector of national economies. Or, as stated recently in the *Habitat Debate*: Slums “play a useful role in providing cheap (though not necessarily cheerful) housing for those who cannot or, as likely, will not, want to spend any more on housing than they possibly can.”⁷ Slum dwellers on the other hand, provide cheap labour. The existence of slums is thus closely linked to employment and wages. Thirdly, the continued existence of slums is directly related to the fact that they often constitute a very profitable source of income for individuals and groups, in most cases protected by political elites.

6. This section is based on *National Experiences with Shelter Delivery for the Poorest Groups*, UNCHS (Habitat), 1993 (HS/308/93).

7. B. Mumtaz, “Why Cities Need Slums,” *Habitat Debate*, Vol. 7, No. 3, September 2001.

I. LIMITATIONS OF POLICY RESPONSES AND LESSONS LEARNT

A. Ineffective housing development strategies and the need for realistic approaches

11. The framework for thinking about development and policy has undergone major changes during the last two decades. Most planning concepts based on top-down strategies have given way to market and people-based solutions, process approaches, and an emphasis on building capacities and institutions.⁸ Housing policy, particularly where related to issues of informal settlements and slums, has been very much influenced by these dynamics.

12. The earlier focus in most developing countries on physical planning and public housing shifted to self-help housing initiatives. These included sites and services projects, which mostly served middle-income households and proved to be unsustainable due to the high subsidies involved. The focus later moved on to the enabling approach, also considered in upgrading approaches which aimed at maximizing the contributions of all the actors in the housing production process within a supportive legal and regulatory framework. Demolition of substandard dwellings, forced evictions from slums and informal settlements and relocation actions without due process, however, still continue in many cities and countries.

13. The starting point of policy formulation in relation to slums and informal settlements should be the recognition of realities.⁹ It is important to note that residents of traditional slum areas and those of informal settlements often suffer similarly from poor living and shelter conditions, lack of access to services and livelihoods and insecurity of tenure. There are, however, major differences between these two categories with regard to their legal status, requiring also quite different policy responses and measures.

B. Gap between policy and implementation

14. The Istanbul+5 process has shown that many countries have, in fact, well formulated and comprehensive housing policies and strategies in place.¹⁰ Many of these policies and strategies even have an appropriate recognition of facts and an assessment of the limitations, which should set the framework for realistic implementation processes. These policy and strategy documents, however, can rarely be effectively turned into action. Their effectiveness in implementation are constrained by:

- (a) Weak or lacking institutional arrangements;
- (b) Ineffective or lacking mechanisms to engage the poor themselves, and provide an appropriate enabling framework to harness their potential contribution;
- (c) Inadequate or lacking legal frameworks;
- (d) Inadequate or lacking fundamental tools such as land registration systems and records;¹¹
- (e) Lack of strategic focus, such as on the needs and potential contributions of women;

8. "Shelter for All: The Potential of Housing Policy in the Implementation of the Habitat Agenda," UNCHS (Habitat), 1997 (HS/488/97).

9. For example, that the majority of the poor in many cities and towns are tenants.

10. National reports prepared for and presented at the twenty-fifth special session of the General Assembly (Istanbul +5), 2001.

11. For example, only about 1 per cent of the land in sub-Saharan Africa has proper cadastral records.

- (f) Limited or lacking financial resources;
- (g) Limited or lacking political will.

15. Housing policy is based on a package of fundamental issues: secure tenure, transparent land markets, access to services, access to non-usurious credit, protection under the law, protection from forced/arbitrary eviction, the right to impartial arbitration, access to information, efficient administration, et cetera. These are all elements of an enabling environment, which can contribute to closing the gap between policy and implementation.

C. Need for sustained political will

16. The most important factor that limits progress in improving housing and living conditions of low income groups in informal settlements and slums, is the lack of genuine political will to address the issue in a fundamentally structured, sustainable and large scale manner.¹² It is widely acknowledged that political will in addressing problems associated with informal settlements and slums usually surfaces and strengthens before elections or at the verge of an important event that may affect a specific location or project.¹³ After the event the political interest tends to revert to the previous status quo situation. There is no doubt that political will, long lasting and structured interventions with local ownership and leadership, and the mobilization of the potential and capacity of all the stakeholders, particularly the people themselves, constitute the key to success. Lessons from several countries,¹⁴ underscore the importance and the fundamental role of sustained political will and commitment. The role of non-governmental organizations in promoting political will and advocacy is quite significant in many countries.

17. Objectives in approaching the issue of slums and informal settlements should go beyond traditional contexts and address the need for realization of human rights (all economic, social and cultural rights – and in this context, most importantly housing rights), poverty eradication and social integration, all of which should have a specific focus on gender equality and the needs of women. In addition, these initiatives should balance market incentives and private investments - which are essential to efficient housing delivery - with social and environmental goals and collective action - which require public sector interventions and are central to equity and sustainability. Adequate housing should be regarded both as a goal in itself and as a contributor to sustainable economic growth, social development and integration.

D. Difficulties in scaling-up and replication of successful approaches

18. Many existing good practices for shelter and services delivery can rarely get past the demonstration or pilot phase and tend not to be replicable. The main reasons for this are the lack of clear institutional linkages, the lack of economic sustainability and a failure to reinvest. New initiatives are often perceived as threats to existing structures in local administrations. Internal resistance to change is exacerbated by turf-wars and failure to share information among all stakeholders within the administration.

19. It is important that successful initiatives should be shared with all actors. This encourages better ownership of ideas and in many cases improved possibilities for replication. Many innovative approaches in shelter and services development require inputs from a wide variety of different departments in a city administration. Experience indicates that learning from good initiatives amongst stakeholders is not easy to

12. See “Global Campaign for Secure Tenure”, UNCHS, 1999.

13. Such as the organization of an international conference or a large scale public project causing relocation and/or evictions.

14. Such as the Kampung Improvement Programme in Indonesia.

facilitate. In the area of service delivery, markets are often more limited than feasibility studies indicate. Providing a latrine-emptying service for example, may be financially viable in a monopoly market. Large-scale replication however, will reduce the price to a level that the enterprise may no longer be viable due to market competition. Many good examples of shelter and service delivery can not continue to flourish and expand. As noted above, there is often little emphasis on reinvestment in micro-enterprises. Many community-based organizations and non-governmental organizations tend quickly to exhaust the profits made, rather than to expand or replicate the enterprise.

E. Limitations of housing finance mechanisms

20. The fact that conventional housing finance usually works in favour of higher income groups is reflected in a highly segmented housing market. Housing is usually available – often with high vacancy rates – at the high quality, high cost and high-income segment of the market. Meanwhile, the low end of the market is extremely tight, with low or no vacancy rates. One of the reasons why the market does not work for the poor is the lack of finance.

21. Conventional housing finance institutions are accessible and provide housing finance to the middle and high income segment of the population. Public sector housing finance institutions have offered longer-term loans also to lower income groups, but even these have largely been restricted to borrowers with clear land title and certifiable income – a condition only met in public low-income housing projects. The vast majority of the population remains excluded. The poor, low and even middle income majority of the population in developing countries can not afford a loan even for the least expensive, commercially built housing units. The main reasons for this are low income, high construction costs and the high cost of long-term finance. Consequently, many poor and low or even middle income owner-occupier households build their own houses progressively over long periods (as long as 10 to 15 years), or are simply tenants. Different approaches to housing finance are required, as long-term mortgage loans are inappropriate to the financial possibilities of the poor. Access to small amounts of credit, with short-term maturities, can be useful if the poor and low income groups are to be supported.

F. Need for increased focus on rental housing

22. Regardless of the nature of existing or new finance mechanisms, however, the reality for many poor and low income urban residents remains that adequate housing is simply too expensive to own. The majority of urban residents in many developing countries are actually tenants. Data on urban housing tenure in developing countries is not very reliable (if available at all). Data from the Global Urban Indicators Database indicate that more than one quarter of all households in developing countries are tenants. These data should, however, be treated with a high degree of caution. Most probably they are on the low side, as no cities in China and no major cities in India are included in the sample. Earlier estimates have indicated that more than 80 per cent of urban dwellers in China and about half of those in India are tenants.¹⁵ The real number of urban tenants in developing countries may thus be considerably higher than the figure drawn from data provided in the Global Urban Indicators Database.¹⁶ It is thus safe to say that a considerable number of urban dwellers, probably in the range of 30-50 per cent, are tenants.

23. No reliable sources are available to indicate whether these percentages reflect the actual situation in the slums. While many residents of informal settlements in Latin America are squatters and may not pay rent, the situation in many cities in Asia and Africa seems to indicate that the number of tenants in the slums is higher

¹⁵. See A. Gilbert, "Rental housing in third world cities: what we know and what we need to know", *Rental housing: proceedings of an expert group meeting*, UNCHS (Habitat), 1990 (HS/217/90).

¹⁶. Based on the following assumptions – a) that the data drawn from the Global Urban Indicators Database is a true reflection of the situation in developing countries except China and India; b) that 80 per cent of the urban population in China are tenants; and c) that 50 per cent of the urban population in India are tenants – the total number of tenants in developing countries is 808 million, or 42 per cent of the urban population.

than in the urban population at large. Moreover, there are indications that the prevalence of renting may be on the increase, as access to free land becomes increasingly difficult. This is due to demographics, increased commercialization of land, upgrading of informal settlements (which may reduce population densities in existing settlements) and various forms of government interventions.¹⁷

24. While a large proportion of urban dwellers are tenants simply because they cannot afford to be owners, other urban dwellers choose to be tenants because of the advantages this may give them in the labour market. A large proportion of slum dwellers are not only involved in the informal sector when it comes to a place to live – their place of work is also in the informal sector. The nature of their employment may imply that they have to move around in order to maximize their income. In order to minimize transport costs they choose to live in locations close to their place of work, where the cost of housing may be beyond their reach. Ownership of affordable housing in another part of town may be incompatible with their willingness or ability to spend excessive amounts of time and money for transport purposes.

25. The supply of cheap rental housing is an essential component of the continued existence of a cheap urban labour force. Or, as was noted in paragraph 10 above, slums are good for business. This begs the question: who owns the structures in the urban slums of developing countries? Again, there is very little comprehensive data. The following is a tentative categorization of such structure owners:

- (a) Slum lords, who rent out a large number of dwellings (wealthy individuals with political clout, either local politicians or those able to influence local politicians);
- (b) Headmen, who may manage a two digit number of dwellings (proxies for slum lords, low-income individuals -frequently of imposing physical stature- who manage the properties of frequently anonymous slum lords, and may be paid in kind or cash for this service);
- (c) Small-scale landlords, who rent out a smaller number of structures or rooms (normally in the range of 5-15 units);
- (d) Self-help landlords, households that rent out a room or two, frequently added to their own residences for this particular purpose.

26. Attempts to increase the supply of cheap rental housing require a thorough understanding of the way the different markets for such housing operate. Many slum structure owners do not operate with the specific purpose to make undue profits.¹⁷ Several studies indicate that households that rent out rooms in their own house tend to be just as poor as their tenants. Their primary objective is to supplement their income, however minimally. Evidence from many cities indicates that a large number of tenancies belong to this category.¹⁷ The importance for governments to adopt rental housing policy to attract private investors has so far been overlooked in most developing countries.

¹⁷. Moreover, this form of home-based enterprise encourages the owners to invest in their own housing, as it is relatively inexpensive to add a room to an existing structure. Although such additions will increase population densities in low-income settlements, they may at the same time improve other aspects of housing adequacy owing to increased affordability. It should also be noted that the addition of rooms for rental purposes is relatively labour intensive and has potentially high economic multiplier effects. See *Shelter Provision and Employment Generation*, UNCHS (Habitat), 1995 (HS/339/94).

G. Poor urban land management

27. One of the weakest links of government housing policies for the urban poor is the policy (or the lack of it) for urban land management. Due to rapid urbanization, the urban poor are forced to find their shelter in illegal settlements located in a variety of lands: customary land, government land reserves, marginal land or in illegal subdivisions. The resulting growth of informal settlements, primarily in peri-urban locations, is often the response to government inaction, or ineffective interventions that create more problems than they solve.

28. The master plan approach followed by many city authorities in the 1960s and 1970s proved to be too static to deal with the dynamism of urban growth. The master plans did little to address the land availability issue for low income households, while the land-use controls contributed to further increases in land costs. Inappropriate and inflexible standards and legislation, although originally intended to improve land-use efficiency and safeguard tenants' interests, also pushed land prices higher, and effectively reduced the access of the urban poor to land. The complexity of regulatory controls and ineffective enforcement have also constrained the operation of urban land markets.

29. Government inaction has been most marked in the area of land information systems. Few countries have sought to improve their land titling and registration systems. Weak cadastral, registration and tenure records have made efficient land market operations next to impossible. This has made access to land even more difficult for low income households.

H. Lack of infrastructure and services

30. With uncertain or illegal land tenure, the low income, high-density settlements also lack the most basic infrastructure and services. At the beginning of 2000, the number of urban dwellers without adequate access to water supplies reached 180 million, an increase of 62 million over the comparable figure in 1990.¹⁸ The coverage of urban dwellers having access to adequate sanitation remained considerably below the drinking water supply coverage, with a total of 409 million urban dwellers remaining without adequate access to sanitation. These figures, however, mostly relate to populations within the boundaries of formal city areas and leave out large peri-urban populations.¹⁹

31. Most city governments are also facing mounting problems with the collection and disposal of solid wastes. Typically, only a third of solid wastes generated by urban residents and commercial establishments are collected by city authorities. The haphazard growth of peri-urban settlements and a total disregard to basic norms allow little access to solid waste removal services in these densely populated areas. The result is indiscriminate dumping of wastes in roads, pavements and open drains – with the associated health risks.

32. An important obstacle to stepping up investment flows in urban basic services has been the reluctance by city authorities to put in place a realistic pricing policy that could ensure cost recovery, which could then be ploughed back as new investment. Ironically, it is the affluent groups who benefit most from under-pricing of basic services such as water supply, as the poor are rarely connected to municipal services and have to rely on the informal market. Generally the poorest city residents pay the highest unit price for services, such as water and energy. This tends to reinforce the cycle of poverty. The relationship is not however well understood. Clearly, further research is necessary to address tenure and housing rights, shelter provision and urban poverty reduction.

18. This implies that the rate of access to adequate water supplies in urban areas of developing countries fell from 91.8 per cent in 1990 to 90.7 per cent in 2000.

19. UNICEF/WHO Joint Monitoring Programme, 2001.

33. Public-private partnerships, although still raising some controversial opinions, have the potential to bring efficiency gains and cost-effectiveness in urban basic services delivery. Moreover, effective regulatory controls may ensure that poor neighbourhoods are not neglected. Yet, with few notable exceptions, most city authorities continue with their role as service providers, with little involvement of communities and the private sector. A strong political commitment, transparency in management and sound strategies are needed to attract more private sector investment in urban services. Involvement of non-governmental organizations and community participation in the provision and management of urban basic services can go a long way towards cost recovery and long-term sustainability of services. Policies and programmes should therefore focus with priority on building capacity at the local level for effective community participation in the planning, provision and management of infrastructure and services. The women of the community, in particular, have proved themselves to be important agents for change.

II. NEW DIRECTIONS AND STRENGTHENING TRENDS

34. “Where banks do not lend to ... [the poor], they save and lend to each other; where no housing is available, they build their own shelter; where no education is provided, they teach each other. The poor are currently the single largest producers of shelter and, indeed, builders of cities, in the world today.”²⁰ As a result of this, people living in poverty are increasingly becoming partners in development rather than recipients of assistance. A major focus of the “Cities Without Slums” initiative is thus to “support these signs of hope by investing in the poor, their institutions and in those cities in which multiple stakeholders demonstrate a shared commitment to addressing poverty and inequality through well-integrated programmes.”²⁰

A. From structural adjustment programmes to poverty reduction strategies²¹

35. Years of debate between proponents of pro-growth policies – exemplified as structural adjustment programmes – and those advocating poverty reduction strategies, culminated in 1999 with the introduction by the Bretton Woods institutions of poverty reduction strategy papers. At the heart of this policy debate appeared to be a choice between *growth* and *equity*, and between *productive cities* and *inclusive cities*. The main rationale of these new poverty reduction strategies is that development and poverty reduction can not be achieved through macroeconomic interventions alone. The new approach is based on fundamental changes to structural adjustment policies in many respects, including engagement of the poor as stakeholders rather than as recipients of aid; national ownership of strategies; and the need for a comprehensive approach encompassing sustainable development and poverty reduction.

36. UN-HABITAT’s new strategic focus on urban poverty reduction, developed following the Habitat II conference, resulted in the identification of two specific entry points, operationalized in the form of two global campaigns with a common goal: inclusive cities without slums. This goal is pursued through the complementary strategic entry points of the Global Campaign on Urban Governance and the Global Campaign for Secure Tenure.

37. The understanding of urban poverty still needs to be developed. This will necessarily require a clarification of the link between what is understood by social exclusion: including work and unemployment, distribution of wealth and equity issues, racism and xenophobia, spatial dimension and urban management, and identity and political systems.

20. CIVIS, Issue 1, October 2000, (newsletter of the Cities Alliance).

21. This section is based on the UNCHS (Habitat) concept paper “From structural adjustment programmes to poverty reduction strategies”, prepared for the fourth international conference of the International Forum on Urban Poverty, 2001.

38. As stated in the Recife Declaration,²² institutional responses tend to focus on income generation, without considering the social, political and psychological factors which constitute the indivisible character of poverty. Public sector responses to poverty are also usually based on a simplified view of the poor as a homogeneous group. In reality, the poor are very diverse in their difficulties, needs and capacities. They thus require a differentiated, but coordinated, assessment and response. In order to fight urban poverty, UN-HABITAT is suggesting a comprehensive approach with diverse activities including advocating for action at city and community levels and building commitments at all levels, as well as establishing time frames and benchmarks for monitoring.

B. Addressing poverty alleviation through linking income generation and shelter provision

39. UN-HABITAT and the International Labour Organization (ILO) have earlier called upon local and national governments, as well as international development cooperation organizations to advocate and provide active support for development strategies based on labour-intensive shelter delivery, using local resources. Through such strategies the goal of shelter for all is linked with that of full employment, in a common strategy for poverty reduction.²³

40. Increasingly, the provision of basic services in the low-income areas of cities has become a key opportunity to improve the living environment for the urban poor, while at the same time improving livelihood prospects. The sheer densities of population prevalent in slums make the need to reduce the environmental and health impacts even greater and also make micro-enterprises established for the purpose more financially viable. Services include water, sanitation, waste management and transportation. Several novel approaches have been reported where viable micro-enterprises have been established. This has led to an increased demand for appropriate finance mechanisms for diversification and expansion, together with progress in the development and application of appropriate technologies.

C. Human rights framework, with specific focus on housing rights

41. During the 1990s, the United Nations system entered a new era simultaneously presenting the organization with new challenges as well as providing fresh opportunities for more vigorously implementing principles and duties enshrined in the Charter of the United Nations. Among other developments, these changes have facilitated a renewed commitment to the promotion and protection of human rights globally and a measurable expansion in the magnitude and types of actions related to human rights within the United Nations system.

42. In parallel to this momentum, the right to adequate housing has gained increasing recognition among human rights bodies and stakeholders, and many governments have adopted or revised housing policies to include various dimensions of human rights. The second United Nations Conference on Human Settlements (Habitat II), held in 1996 harnessed this trend. The outcomes of the Conference, the Istanbul Declaration²⁴ and the Habitat Agenda,²⁵ constitute a framework where human settlements development is linked with the process of realization of human rights in general and housing rights in particular. The Habitat Agenda, particularly in its

22. "The Recife Declaration", adopted at the Recife International Meeting on Urban Poverty, 17-21 March 1996.

23. "Shelter Provision and Employment Generation", UNCHS (Habitat) and ILO, 1995 (HS/339/94). Report prepared for the World Summit for Social Development.

24. *Report of the United Nations Conference on Human Settlements (Habitat II), Istanbul, 3-14 June 1996* (A/CONF.165/14), chap. I, resolution 1, annex I.

25. *Ibid.*, annex II.

paragraph 61, clarifies actions and commitments of governments and other stakeholders in order to promote, protect and ensure the full and progressive realization of the right to adequate housing. In this context, it is also clarified that the housing rights framework does not in any way imply an obligation for governments to immediately provide free housing to all. Yet, as is clearly articulated in the Habitat Agenda, Governments are responsible for establishing and facilitating an enabling environment where the potential and capacity of all stakeholders in the housing development process are supported.

43. Besides homelessness, forced evictions are the most severe violation of housing rights. In many countries, forced evictions can be carried out with comparative ease against squatters, low-income renters, indigenous peoples and other vulnerable groups with inadequate or no legal security of tenure. Unfortunately, few governments monitor the practice of forced evictions. While increasing housing production and improving existing housing stock are very important in every society, these activities must run parallel with actions that specifically address and focus on the human rights aspects. The rights-based approach to development in the housing sector should consider and formulate actions as provided in the Habitat Agenda, particularly those elaborated in paragraph 61. All stakeholders should give utmost importance to the guiding framework of the Habitat Agenda. The United Nations Housing Rights Programme – jointly formulated by UN-HABITAT and the Office of the High Commissioner for Human Rights in line with the resolution 16/7 of the Commission on Human Settlements²⁶ and resolutions 2001/28 and 2001/34 of the Commission on Human Rights²⁷ – constitutes a fundamental component of the implementation of the Global Campaign for Secure Tenure and aims to assist governmental organizations and other stakeholders in these respects.

D. Promoting security of tenure and residential stability

44. An emerging focus of urban upgrading is the promotion of security of tenure of people living and often working in slums and informal settlements. Security of tenure is regarded less as an individual title, and more as the certainty associated with the absence of forced evictions. Security of tenure of this kind may be obtained through appropriate lease agreements and temporary occupancy rights. Residential stability is an important derivative of the level of security of tenure and can be promoted by the presence or introduction of clear and guiding agreements between tenants and structure owners which specify conditions and rights of both parties.

45. The promotion of security of tenure is an attempt to address several aspects of urban upgrading. Specifically, it is an entry point into the complex, multidimensional nature of poverty, the politics of land and slum upgrading, and urban citizenship and associated equal rights of women and men. Security of tenure is also increasingly regarded as a useful entry point for improving living conditions. In practical terms for the individual slum dweller, security of tenure translates into a degree of certainty that can motivate investment of his or her own resources for the purpose of improving shelter and services. In some cases, a certificate of right or temporary occupancy can serve as an instrument for making claims on public resources or negotiating with authorities for access to basic services. Secure tenure may also legitimize land or structures on that land as forms of collateral for credit, and therefore investment.

²⁶.. See *Official Records of the General Assembly, fifty-second session supplement No. 8, (A/52/8)*, annex I.

²⁷. See *Official Records of the Economic and Social Council, 2001, Supplement No. 23 (E/2001/23)*, chap. II, sec. A.

46. The concept of shelter is broad, and frequently crucial aspects of tenure are ignored or forgotten. For example, although the tenure of a dwelling is important, the tenure of the workplace is extremely important. This is particularly the case for slum-based micro-enterprises. Any strengthening of tenure aspects related to livelihood and income generation will positively and considerably improve the quality of life of people living in poverty.

47. It is important to note that securing tenure for the community (or the household) does not necessarily mean securing tenure for women and their children. This is because of unequal household and social relationships based on law, custom or economic relations. In slum upgrading that involves regularization of tenure, specific measures must be taken to ensure that extension of secure tenure benefits men and women equally.

48. More specifically, and in view of the needs and requirements of the poorest segments of slum dwellers, it is essential that increased efforts should be placed on promoting the development of low-cost rental housing as the preferred option for most urban low-income groups. In view of the discussion in paragraphs 22 to 26, it is essential to get a better understanding of how the markets for rental housing in developing countries operate. Specifically, there is a need to investigate the status of actors involved, tenure preferences, rationale in investing for rental housing and tenant/landlord relations.

49. Further to the above recommendations specific to the concerns of slum-dwellers, UN-HABITAT earlier prepared recommendations on the promotion of rental housing in general. These recommendations focus on increased supply and residential stability,²⁸ review of housing policies to remove biases against non-owners, more focus on private initiatives in the rental sector, a conducive legal and regulatory environment that relaxes relevant standards and rent control measures, focus on informal arrangements in the rental housing sector, promotion of security of tenure and increased involvement of all stakeholders including non-governmental organizations and community-based organizations.

E. The fundamental role of women in shelter development

50. When addressing the issue of slum improvement and slum upgrading it is critical to include a specific focus on women and their situation, needs and roles in shelter development. In poor urban neighbourhoods, women predominantly remain the managers of homes and neighbourhoods, and providers of services. A large number of women in the slums work in the informal sector, often at home or close to home. Women's engagement in public life is thus very often through neighbourhood organizations that are linked to providing or negotiating for services such as refuse removal, accessible clean water, spaces for commercial activities and safer public transport.

51. Women's organizations are being increasingly recognised as stakeholders in slum improvement projects and are often involved in the design and management of services such as public toilets and child care centres, as well as the design of new neighbourhoods. Women's involvement in slum upgrading varies between countries and cultures but includes identification of project beneficiaries, ensuring that certain marginal groups are not left out, participation in the design of new housing and neighbourhoods, and involvement in actual construction. This kind of role needs to be more widely recognized and supported and as much as possible, rewarded in cash or kind.

28. See "Shelter for All : The Potential of Housing Policy in the Implementation of the Habitat Agenda", UNCHS (Habitat), 1997 (HS/488/97); and "Review of Rental Systems and Rental Stability: Recommendations for Public Policy", UNCHS (Habitat), 1990 (HS/171/89).

F. Focus on the needs of vulnerable groups

52. When addressing the goal of “Cities Without Slums” it is important to note that the bulk of people living in slums do so because they have no other choice (see paragraphs 9 and 10 above). This lack of choice, and the fact that they live in slum conditions, may, however, be the only characteristic they have in common. Behind the category of slum dwellers lies a wide range of people with very different status and concerns, which makes policy formulation to address these diversities more difficult.

53. Many among these groups are actively discriminated against in law. Others suffer from various forms of discrimination based on the “not-in-my-backyard” view. Although most urban residents may endorse active support for various categories of vulnerable and disadvantaged groups²⁹ they would very much like to see that they are supported elsewhere.

54. If the “Cities Without Slums” goal is to be achieved, it is not sufficient to raise incomes and construct more houses. Specific interventions are required to significantly improve the conditions of vulnerable and disadvantaged groups. In this connection, it is important to take note of the rapidly changing global demographic structure. Estimates indicate that the population of the world is ageing at an unprecedented pace. In less than half a century, life expectancy in the world increased by 20 years. By 2025, one of every seven persons will be in the older age group (over 60 years) and about 70 per cent of this group will be living in developing countries.³⁰ This global trend coupled with the ongoing urbanization process has significant effects on human settlements as well as on economic and social development. Governments and stakeholders need to consider these issues in all aspects of housing policy, including the upgrading of slums.

55. The Habitat Agenda has a specific focus on vulnerable groups. Furthermore the leaders of the world in the Millennium Declaration highlighted that: “We recognize that ... we have a collective responsibility to uphold the principles of human dignity, equality and equity at the global level. As leaders we have a duty therefore to all the world’s people, especially the most vulnerable”³¹

G. Strengthening local authorities

56. While consensus had been building up before the Habitat II conference on the need for decentralization of responsibilities and empowerment of local authorities as a fundamental principle in urban governance, evidence from all around the world indicates that this process is not advancing very fast. Difficulties are arising both from the central level and from inadequacy of operational modalities at the local level. The most important difficulty in the decentralization process is the limitations of transfer of authority. Legal and administrative frameworks should promote autonomy over the acquisition and expenditure of public revenues. On the other hand, lack of participatory planning processes, limitations in the capacity of civil society organizations and modalities to involve the most vulnerable groups in decision-making appear as factors at the local level hindering the effectiveness of decentralization.

57. Local level actions within an enabling environment are fundamental to shelter development particularly for low-income groups. Upgrading, regularization, relocation and other activities related to slum and informal settlements are all determined to a large extent by the leadership role of local authorities

and strategies followed at the local level, which should be comprehensive and address the root cause of poverty. Municipal development funds could play a crucial role in supporting large-scale slum upgrading programmes.

²⁹. Such as refugees, people with disabilities, people suffering from substance abuse, etc.

³⁰. “International Plan of Action on Ageing and United Nations Principles for Older Persons”, United Nations, New York, 1998.

³¹. General Assembly resolution 55/2, article 2.

III. THE WAY FORWARD

A. Turning commitments into effective actions

58. Although accurate statistics are not yet available, it seems that the number of slums and informal settlements are increasing globally. This trend is continuing, despite the fact that considerable improvements have been achieved in some countries that have initiated effective programmes and decisive actions in addressing the goal of adequate shelter for all. To ensure and facilitate the expansion of these positive developments to other countries, the Millennium Declaration endorses the “Cities Without Slums” goal of “*improving the lives of at least 100 million slum dwellers by 2020*”³² (see paragraphs 2 to 10 above). The figure of 100 millions sounds huge, but when compared to the estimated current population of one billion slum dwellers globally, it is a modest but realistic target. It implies addressing the needs of only 10 per cent of the world’s urban population who currently suffer from diverse aspects of inadequate shelter, including lack of security of tenure and access to basic services and infrastructure.

59. From the outset, it is clear that such a long-term initiative needs to involve fully all stakeholders related to the upgrading process, first amongst them the slum dwellers themselves. Secondly, all related public authorities at the national, city and local levels should be involved from the beginning to the end. Thirdly, all related civil society organizations (including non-governmental organizations, research institutes and professional associations) should mobilize their capacity and potential to contribute to these activities.

60. It is expected that, within the guidance particularly of the Global Campaign for Secure Tenure, realistic action plans and strategies of implementation will be prepared within each country on the basis of assessments of the existing situation at national, city and local levels. A broad consultative process is strongly recommended, including all protagonists, so as to build partnership, ownership and commitment, and thus ensure long lasting involvement of all stakeholders.

61. For the purpose of broadening the debate and engaging stakeholders in this process, UN-HABITAT has initiated actions with a number of sample countries which volunteered to start preparing such processes. At this juncture, and as part of the design and implementation of the global campaigns, a process driven approach is proposed that provides a framework for situation assessment and development of a consensus among stakeholders.

62. In the above context, and to contribute to the assessment and monitoring of progress made in achieving the Millennium Development goal, there is a need for an internationally accepted definition of what constitutes a slum. UN-HABITAT has proposed that the four criteria identified in paragraph 8 above should be used for that purpose.

B. National plans of action

63. If the global “Cities Without Slums” action plan is to be taken seriously, it should be translated into national and local action plans and duly monitored. Countries and cities should therefore be invited to define their own targets and monitoring mechanisms. According to the action plan, 20 citywide and/or nationwide programmes should be initiated during 2001-2005. It is envisaged that national and local commitments should be shared at the nineteenth session of the Governing Council of UN-HABITAT in May 2003, after a preliminary review at the World Urban Forum in May 2002. Once finalized, the monitoring indicators will be submitted to the Governing Council for adoption and appropriate follow-up by Member States and city authorities.

³². As explained in more detail in the Introduction to the present paper.

64. UN-HABITAT will contribute to the monitoring and assessment of progress in improving living conditions in slums and informal settlements at the global level. It will do so either indirectly by liaising with the process designed and implemented in each country, or more directly, when a request is received from a country seeking assistance and support from the organization for this purpose. In both cases of involvement, the Global Campaign for Secure Tenure could be an instrument to set the process in motion by suggesting the institutional setting that could best be used to conduct the formalization of a relevant strategy and the formulation of a clear action plan.

C. Challenges for the World Urban Forum

65. Within this framework, the participants of the World Urban Forum may wish to provide guidance in seeking answers to the following questions:

- (a) How can the commitments of the *Habitat Agenda* and the *Millennium Declaration* be turned into effective national and local policies and actions;
- (b) How can the implementation of the two global campaigns (particularly the Campaign for Secure Tenure) be made more effective, both at the global and national levels;
- (c) Who are the stakeholders in this process and how can they be best assisted;
- (d) How can guidelines be prepared on key areas such as prevention of unlawful evictions, proper relocation processes when inevitable, and promotion of rental markets for the poor;
- (e) How can a coordinated global monitoring and evaluation system be best established and operated;
- (f) How can the Cities Alliance initiative expand its activities;
- (g) How can the World Urban Forum contribute to the above said processes in an effective and sustainable manner.
